



# Service Providers - Unit pricing for products

Planon Software Suite

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# About this Document

## Intended Audience

This document is intended for *Planon Software Suite* users.

## Contacting us

If you have any comments or questions regarding this document, please send them to: [support@planonsoftware.com](mailto:support@planonsoftware.com).

## Document Conventions

### **Bold**

Names of menus, options, tabs, fields and buttons are displayed in bold type.



### *Italic text*

Application names are displayed in italics.

### CAPITALS

Names of keys are displayed in upper case.

## Special symbols

	Text preceded by this symbol references additional information or a tip.
	Text preceded by this symbol is intended to alert users about consequences if they carry out a particular action in Planon.


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# About Unit pricing for products

In the service provider market, contracts are increasingly being concluded between service providers and their customers in which they agree on a unit price (UP) for a product.

In the Planon Service Providers solution, **Unit pricing** can be a useful addition: it can ensure that you, as service provider, remain competitive in your market, for both hard and soft services.

 By implementing the unit pricing functionality, you create an alternative to the default revenue generation for products / materials, which is based on data from material lines and service terms. Because with unit pricing you can implement *dynamic pricing* ('time-dependent' pricing) and offer *volume discounts*.

In short: Unit pricing does not replace a contract in which service agreements were made about time (SLAs), labor hour costs, *material costs*, subcontractor costs, travel costs and bonus/malus. Rather, the feature is an addition to existing service agreement(s). Both price calculation methods - *time/materials* and *unit pricing* - will result in revenues being charged to the customers, with the big advantage that all can be combined in a single contract.

# Concepts

The following topics describe the concepts that are key to understanding the functionality.

## Unit price list

The first step when configuring unit pricing for customer contracts, is to define a 'library' of **Unit price lists** (UPLs). This can be done in the **Unit price lists** TSI. These price lists can be used later as a starting point when creating specific **Contract price lists** for a customer contract. One reason for having multiple lists of unit prices in the library might be that you require separate lists for different countries or regions. But of course there are many other conceivable use cases.

Once a UPL is added to the library, you can *link* products and product unit prices, for each product that may be relevant to your customer contracts. Products on the unit price list may include maintenance materials, spare parts or cleaning agents, but also catering products for example. In any case, the selection of products depends on the type of customers and/or regions you are defining the unit price list for. See [Linked products](#) for more information on the links.

When you are satisfied that the unit price list (and related data) is configured correctly, you can set its status from **In preparation** to **Active**. Unit price lists that are no longer relevant can be **Ended** and subsequently **Archived**.

Benefits: the use of a **Unit price lists** library will facilitate the work of sales and contract managers when they are linking products to a customer contract.



The **Unit price list** is just the starting point for your contract negotiations. The actual product prices that will be agreed for a specific customer contract can deviate from the price in the unit price list. These contractually agreed prices are defined by the *contract specific lists* and *contract specific exceptions*.

## Linked products

Once you have created a **Unit price list** you can start linking relevant products. These products are available in the **Products** TSI.

The *links* between the **Unit price list** and the **Products** are *time-aware*. This means that they take the reference date into account and have a clear start date and - optionally - an end date.

Good to know:

- the links between unit price list and products cannot overlap in time, nor can they be defined for a period that is outside that of the unit price list.

- during the period defined in the link, the data of any linked products, such as the product price, is kept in sync.

See [Time aware links](#) for general information on the use of time aware links in Planon's Service Providers solution.

## Product unit prices

When you have linked product to the unit price list, you can continue adding **Product unit prices**.

Good to know:

- Product unit prices are *life cycle aware*



The life cycle concept applies to a specific set of business objects within Planon, among which **Contracts**. See the topic [Life cycle](#) to understand how life cycles work for contracts. In the **Unit price lists** TSI, the same principle is applied to product unit prices.

- Product prices for the same product cannot overlap with each other within the linked unit price list. They also have to fall within the period of the unit price list.
- On the product unit price you will see the applicable product **unit** (pieces, kilograms, liters etc). You can also specify a **Standard price**, enter the applicable **Tax/VAT**, and indicate whether or not the price is a **Fixed price**.

## Product volume discounts

Customers can be granted discounts when they order larger volumes of a product. There are two methods for volume discounts within the **Unit pricing** solution. You can apply a volume discount to the **product price** or apply a **discount percentage**.

Good to know:

- Volume discounts are life cycle aware. This means that by making changes you automatically create a new version of the volume discount record that is valid from that point onwards. You cannot make these changes directly. You must specifically add a modification for the product volume discount.
- Only one type of product volume discount can apply to a product price at the same time.

# Working with Product unit pricing

This section describes the various functions available in the **Product unit pricing** solution.

## Adding a unit price list and linking products

You can set up a 'library' of unit price lists to prepare standards for product pricing in customer contracts.

Fill your library with relevant unit price lists by following this procedure.

### Procedure

1. On the navigation panel, select the **Unit price list** TSI.
2. Select the **Unit price lists** selection level.
3. On the action panel, click **Add**.
4. Enter a **Code**, **Name**, **Start date** and optionally an **End date** or **Comments**.
5. **Save**.
6. On the action panel, click **Linked products (UPL)**.
7. In the **Products** dialog, select the **Add links** option and enter a start date for the links.

**The links between unit price list and products are time aware. This means that they take the reference date into account and have a clear start date and - optionally - an end date.**

8. In the **Linked products (UPL) - Add link(s)** dialog, select the relevant products and add them to the price list by moving them to the **Linked** section.
9. Click **OK**.

**When you are done linking products, continue with defining any volume discounts you might want to offer to your customers.**

## Adding product unit prices

With the following procedure you can define a product unit price of a linked product.

Product unit prices are life cycle aware. See: [Product unit prices](#).

### Procedure



1. In the **Unit price lists** TSI, navigate from the relevant unit price list down to the relevant linked product at **Product details > Linked price list products**.
2. Go to the **Product unit prices** level.
3. On the action panel, click **Add**.
4. On the data panel fill in the relevant fields.

See [Product unit price fields](#) for the field descriptions.

5. Click **Save**.

You can now proceed with defining any applicable volume discounts.

## Adding volume discounts

You can apply a volume discount to the **product price** or apply a **discount percentage**.

With the following procedure you can define volume discounts for a product unit price of a linked product.

### Procedure

1. In the **Unit price lists** TSI, navigate from the relevant unit price list down to the relevant linked product and product unit price.
2. On the action panel, either click **Add Percentage-based volumes** or **Add Price-based volumes**.

See [Product volume discounts](#) for the difference between the two options.

3. On the data panel fill in the relevant fields.

See [Product volume fields](#) for the field descriptions.

4. Click **Save**.

# Field descriptions - product unit pricing

The following section(s) describe(s) the fields, their purpose and meaning.

## Product unit price fields

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<b>Field</b>	<b>Description</b>
Actual end date	Displays the end date of the entire <b>Product unit price</b> record.
Actual start date	When initially adding a <b>Product unit price</b> record or when modifying it: select the start date for the entire record.
Code	Displays an auto-generated code.
End date	End date of the life cycle of the product unit price.
Fixed fee	Life cycle aware field. Enter the applicable fee for the product.
Fixed price?	Life cycle aware field. By selecting <b>Yes</b> or <b>No</b> , you can indicate whether the product unit price should be fixed or not.
Linked product	Displays the <b>Linked product</b> (M:n link between <b>Unit price list</b> and <b>Product</b> ).
Name	Initially displays the product name. You can edit this field.
Previous modification	Reference to the previous life cycle (in time). This field is updated if a life cycle is inserted between two existing life cycles.
Price list product	Read-only reference to the product's code and name within the selected life cycle.
Standard price	Life cycle aware field. Enter the applicable standard price for the product.
Start date	Start date of the life cycle of the product unit price.
Unit	Read-only calculated field, displaying the unit of measurement of the linked product.

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## Product volume fields

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Field	Description
Actual end date	Displays the end date of the entire <b>Product volume</b> record.
Actual start date	Displays the start date of the entire <b>Product volume</b> record.
Code	Enter a code.
Discount percentage	If you add a <b>Percentage-based product volume</b> : enter the relevant discount percentage.
End date	Read-only. Displays the end date of the life cycle of the product volume.
Max. quantity	This calculated field is updated by the system. It displays the maximum quantity when the <b>Min. quantity</b> field is cleared or updated.
Min. quantity	Enter the minimum product quantity for the discount to be applied.
Name	Enter a relevant name for the product volume record.
Previous modification	Reference to the previous life cycle (in time). This field is updated if a life cycle is inserted between two existing life cycles.
Price	If you add a <b>Price-based product volume</b> : enter a relevant discount price.
Price list product	'Insert-only' reference to the product code and name. After initial insert, the field value becomes read-only.
Start date	Read-only. Start date of the life cycle of the product volume.
Unit	Read-only calculated field, displaying the unit of measurement of the linked product.

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